

UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA

UNITED STATES OF AMERICA,)
)
Plaintiff,)
)
v.)
)
MARK D. BRIDGES,)
)
Defendant.)

INDICTMENT

(26 U.S.C. § 7201)

CR 10-14 DWF/JSM

THE UNITED STATES GRAND JURY CHARGES THAT:

BACKGROUND ALLEGATIONS

The following affirmative actions to evade and defeat the income tax due and owing to the United States were committed by the defendant MARK D. BRIDGES:

A. During calendar years 2002 through 2006 inclusive, the defendant personally performed computer programming services for Banta Corporation (now RR Donnelley).

B. During the inclusive period of calendar years 2002 through 2006 the defendant's services to Banta Corporation were purportedly contracted with Forward Systems, Inc.

C. The defendant caused the payment for the services he personally performed for Banta Corporation during the inclusive period of calendar years 2002 through 2006, to be billed to Banta Corporation on invoices under the business trust name of Master Piece, Co. and the defendant directed that Banta Corporation make the checks paying for the services he performed payable to Master Piece, Co.

SCANNED

JAN 20 2010

U.S. DISTRICT COURT MPLS

JAN 20 2010
FILED
RICHARD D. SLETTEN, CLERK
JUDGMENT ENTERED
DEPUTY CLERK'S INITIALS

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D. The defendant caused the Banta Corporation checks in payment for his personal services during the inclusive period of calendar years 2002 through 2006, payable to Master Piece, Co., totaling \$668,540.00 to be deposited into a U.S. Bank checking account in the name of Fortune Trade, Inc.

E. During the inclusive period of calendar years 2002 through 2006, the defendant caused his personal living expenses to be paid from the U.S. Bank checking account in the name of Fortune Trade, Inc.

F. On or about July 29, 1998, the defendant caused Master Piece, Co., to be formed, as an un-incorporated business organization, in the form of a purported express irrevocable pure business trust in the State of Washington, and on or about September 19, 1998, the defendant caused himself to be appointed as the Trustee and Executive Trustee of Master Piece, Co.

G. On or about September 18, 2000, the defendant caused Forward Systems, Inc. to be formed as a corporation under the laws of the State of Washington, with the defendant named as the President and Treasurer of Forward Systems, Inc.

H. On or about September 18, 2000, the defendant caused Fortune Trade, Inc. to be formed as a corporation under the laws of the State of Washington, with the defendant named as the President and Treasurer of Fortune Trade, Inc.

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I. During the inclusive period of calendar years 2002 through 2006 relevant to the above-named corporations there were no records of corporate minute books maintained; no record of annual shareholder or board of director meetings were held; no record that stock ledger books were maintained; two of the individuals listed as officers and directors of the corporations were, William R. Blank and Henry D. Scott, who were not actual persons, but are purported trusts in the State of Washington; no record that any distribution of stock was maintained; no books and records of business expenses were maintained; and no corporate tax returns were filed.

J. During calendar year 2002, the defendant personally performed computer programming services for Utility Engineering.

K. During calendar year 2002, the defendant's services to Utility Engineering were purportedly contracted with Master Piece, Co, and Forward Systems, Inc.

L. The defendant caused the payment for the services he personally performed for Utility Engineering during calendar year 2002 to be billed to Utility Engineering on invoices under the business name of Forward Systems, Inc., and the defendant directed that Utility make the checks paying for the services he performed payable to Master Piece, Co.

M. The defendant directed and caused the Utility Engineering checks in payment for his personal services during the

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calendar year 2002 to be payable to Master Piece, Co., totaling \$10,125.00 to be deposited into a U.S. Bank checking account in the name of Fortune Trade, Inc., from which account his personal living expenses were paid.

Count 1
(Tax Evasion - 2002)

1. The allegations set out above in paragraphs A through M are incorporated in this Count 1, as if fully set forth herein as affirmative actions to evade and defeat the income tax due and owing to the United States.

2. During the calendar year 2002, the defendant, MARK D. BRIDGES, a resident of Minnesota, had and received taxable income in excess of \$97,000.00, and upon said taxable income there was owing to the United States of America income taxes, that is, approximately \$20,006.00.

3. Well-knowing and believing the facts set forth in the two preceding paragraphs, the defendant,

MARK D. BRIDGES,

in the State and District of Minnesota, did willfully attempt to evade and defeat the income tax due and owing by him to the United States of America for the calendar year 2002 by failing to make and file an income tax return on or before April 15, 2003 as required by law to any proper officer of the Internal Revenue Service; and,

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by failing to pay the Internal Revenue Service income taxes due and owing for the 2002 calendar year;

All in violation of Title 26, United States Code, Section 7201.

COUNT 2

(Tax Evasion - 2003)

4. The allegations set out above in paragraphs A through I are incorporated in this Count 2, as if fully set forth herein as affirmative actions to evade and defeat the income tax due and owing to the United States.

2. During the calendar year 2003, the defendant, MARK D. BRIDGES, a resident of Minnesota, had and received taxable income in excess of \$62,000.00, and upon said taxable income there was owing to the United States of America income taxes, that is, approximately \$9,264.00.

3. Well-knowing and believing the facts set forth in the two preceding paragraphs, the defendant,

MARK D. BRIDGES,

in the State and District of Minnesota, did willfully attempt to evade and defeat the income tax due and owing by him to the United States of America for the calendar year 2003 by failing to make and file an income tax return on or before April 15, 2004 as required by law to any proper officer of the Internal Revenue Service; and, by failing to pay the Internal Revenue Service income taxes due and owing for the 2003 calendar year;

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All in violation of Title 26, United States Code, Section 7201.

COUNT 3

(Tax Evasion - 2004)

4. The allegations set out above in paragraphs A through I are incorporated in this Count 3, as if fully set forth herein as affirmative actions to evade and defeat the income tax due and owing to the United States.

2. During the calendar year 2004, the defendant, MARK D. BRIDGES, a resident of Minnesota, had and received taxable income in excess of \$44,000.00, and upon said taxable income there was owing to the United States of America income taxes, that is, approximately \$5,971.00.

3. Well-knowing and believing the facts set forth in the two preceding paragraphs, the defendant,

MARK D. BRIDGES,

in the State and District of Minnesota, did willfully attempt to evade and defeat the income tax due and owing by him to the United States of America for the calendar year 2004 by failing to make and file an income tax return on or before April 15, 2005 as required by law to any proper officer of the Internal Revenue Service; and, by failing to pay the Internal Revenue Service income taxes due and owing for the 2004 calendar year;

All in violation of Title 26, United States Code, Section 7201.

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COUNT 4

(Tax Evasion - 2005)

4. The allegations set out above in paragraphs A through I are incorporated in this Count 4, as if fully set forth herein as affirmative actions to evade and defeat the income tax due and owing to the United States.

2. During the calendar year 2005, the defendant, MARK D. BRIDGES, a resident of Minnesota, had and received taxable income in excess of \$49,000.00, and upon said taxable income there was owing to the United States of America income taxes, that is, approximately \$6,714.00.

3. Well-knowing and believing the facts set forth in the two preceding paragraphs, the defendant,

MARK D. BRIDGES,

in the State and District of Minnesota, did willfully attempt to evade and defeat the income tax due and owing by him to the United States of America for the calendar year 2005 by failing to make and file an income tax return on or before April 17, 2006 as required by law to any proper officer of the Internal Revenue Service; and, by failing to pay the Internal Revenue Service income taxes due and owing for the 2005 calendar year;

All in violation of Title 26, United States Code, Section 7201.

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COUNT 5

(Tax Evasion - 2006)

4. The allegations set out above in paragraphs A through I are incorporated in this Count 5, as if fully set forth herein as affirmative actions to evade and defeat the income tax due and owing to the United States.

2. During the calendar year 2006, the defendant, MARK D. BRIDGES, a resident of Minnesota, had and received taxable income in excess of \$57,000.00, and upon said taxable income there was owing to the United States of America income taxes, that is, approximately \$7,904.00.

3. Well-knowing and believing the facts set forth in the two preceding paragraphs, the defendant,

MARK D. BRIDGES,

in the State and District of Minnesota, did willfully attempt to evade and defeat the income tax due and owing by him to the United States of America for the calendar year 2006 by failing to make and file an income tax return on or before April 17, 2007 as required by law to any proper officer of the Internal Revenue Service; and, by failing to pay the Internal Revenue Service income taxes due and owing for the 2006 calendar year;

All in violation of Title 26, United States Code, Section 7201.

A TRUE BILL

UNITED STATES ATTORNEY

FOREPERSON